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TWO PLEAD GUILTY IN \$1.4 MILLION VIRGIN ISLANDS BRIBERY SCANDAL

WASHINGTON – Former Virgin Islands Fire Service employee Earl E. Brewley and Esmond J. Modeste, purported Project Manager of a fictitious company named Elite Technical Services (Elite), pleaded guilty today to engaging in an elaborate bribery and kickback scheme to defraud the U.S. Virgin Islands government of approximately \$1.4 million in federal and local funds, Assistant Attorney General Alice S. Fisher for the Criminal Division and U.S. Attorney Anthony J. Jenkins of the District of the Virgin Islands, announced today.

Brewley and Modeste face a maximum sentence of five years in prison, a \$250,000 fine, and \$1.4 million in forfeiture. District Judge Curtis V. Gomez set a sentencing date for November 15, 2006, at 9 a.m.

The two defendants were charged along with Hollis L. Griffin by criminal information on June 21, 2006. According to the charging documents, in early 2000, Brewley, Modeste and others formed Elite and then used the fictitious company, as well as other companies, to seek and gain at least seven government contracts valued at approximately \$1.4 million. Although little or no actual work was performed on the contracts payments totaling over \$1.1 million were made to Elite and the other companies. Once the contract proceeds were paid to Elite and the other companies, Brewley, Modeste and others paid bribes and kickbacks totaling between \$300,000 and \$350,000 to at least four territorial government officials including Griffin.

According to court documents, Brewley and Modeste, engaged in a five-year conspiracy to commit bribery concerning programs receiving federal funds, honest services mail fraud, and structuring currency transactions in violation of federal law. Many of the contracts in issue were funded with federal monies and the Virgin Islands Department of Planning and Natural Resources and Fire Service received annual appropriations of federal funds with which to fund such programs and contract awards. A series of \$9,900 cash withdrawals—totaling over \$350,000—were allegedly made by Brewley, Modeste, and others after depositing certain contract proceeds into FirstBank, Wachovia and Banco Popular. These cash withdrawals were made in order to pay the bribes and kickbacks in cash while avoiding the filing of Currency Transaction Reports (CTRs) by the local banks.

This case is being jointly prosecuted by Armando O. Bonilla of Criminal Division's Public Integrity Section and Executive Assistant U.S. Attorney Major R. Coleman of the Virgin Islands. The matter continues to be investigated by a task force comprised of the Federal Bureau of Investigation, the U.S. Treasury Department/Internal Revenue Service, the U.S. Postal Inspection Service, and the U.S. Environmental Protection Agency Office of the Inspector General. The Virgin Islands Office of the Inspector General also assisted in this investigation.

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